

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 743 - SB 1023

February 25, 2023

SUMMARY OF BILL: Authorizes the issuance of a retail package store license to qualified applicants wishing to operate a package store within the general services district of Metro Nashville.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Exceeds \$1,200/FY23-24/ABC Fund
Exceeds \$900/FY24-25 and Subsequent Years
/ABC Fund

Assumptions:

- Pursuant to Tenn. Code Ann. § 7-3-303(b), retail package store licenses are permitted to be issued in the urban services district of a metropolitan government that has approved the retail sale of liquor, wine, and beer, within its jurisdiction, for off-premises consumption by local option election.
- The proposed legislation would allow retail package store licenses to be issued within the general services district of Metro Nashville.
- It is unknown how many applicants will apply for a retail package store license as a result of the proposed legislation. For the purposes of this analysis, it is assumed that this will lead to at least one additional operator receiving a retail package store license in the Metro Nashville general services district.
- The application fee to apply for a retail package license is \$300 and the yearly fee is to operate a retail package store is \$850.
- The increase in state revenue to the Alcoholic Beverage Commission (ABC) is estimated to be an amount exceeding \$1,150 (\$300 + \$850) in FY23-24.
- The increase in state revenue to ABC is estimated to be an amount exceeding \$850 in FY24-25 and subsequent years.
- There will be additional state and local tax revenue collections as the result of an additional retail package store; however, it is assumed any additional sales at these locations will cannibalize sales at other retail package stores. Thus, any additional revenue is estimated to be not significant.

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CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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